

## Message Text

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ORIGIN EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07

SSO-00 NSCE-00 INRE-00 USIE-00 L-03 H-03 /076 R

DRAFTED BY EB/AN:MHSTYLES:VLV

APPROVED BY EB/AN:MHSTYLES

EA/PHL - MR. HULEN (SUB)

CAB - MR. BURCH

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA NIACT IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRN, RP

SUBJECT: CIVAIR NEGOTIATIONS

REF: MANILA 7111

FOR US CIVAIR DELEGATION, OPENING BUSINESS SATURDAY

1. DEPARTMENT/CAB ARE PREPARED CONSIDER A FINAL PACKAGE CONTAINING ELEMENTS DESCRIBED IN REFTEL. HOWEVER, IT IS IMPORTANT THAT PACKAGE INCLUDE CERTAIN KEY FEATURES TO BE ACCEPTABLE, AS FOLLOWS:

A. SATISFACTORY MINIMUM FREQUENCY LEVELS FOR ALL THREE US AIRLINES DURING TWO-YEAR STABILIZATION PERIOD, INCLUDING COMBINATION FREQUENCIES FOR PAN AM AND NWA AND FREIGHTER

FREQUENCIES FOR PAN AM AND FTL. PAN AM IS PARTICULARLY INSISTENT THAT DEAL INCLUDE RIGHT SUBSTITUTE NARROW-BODIED JETS FOR WIDE-BODIED (TWO FOR ONE SUBSTITUTION RATIO ACCEPTABLE). USDEL SHOULD HOLD OUT FOR THIS.

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B. PRESCREENING ARRANGEMENTS SHOULD BE RECIPROCAL.

C. US AND PHILIPPINE VERSIONS OF PRESCREENING ARRANGEMENT (WITH LATTER TO APPLY SECOND TWO-YEAR PERIOD AND US DURING THIRD TWO-YEAR PERIOD) SHOULD BE IDENTICAL, EXCEPT FOR

AUTOMATIC PROTECTOR. IF AT ALL POSSIBLE, HOWEVER, PROTECTOR UNDER US VERSION SHOULD APPLY ONLY WITH REGARD DISPUTED SERVICE. FOR EXAMPLE, IF DISPUTE IS OVER A PAN AM MANILA-SINGAPORE SERVICE, FREEZE SHOULD NOT ALSO APPLY TO ITS US-MANILA SERVICES. ALSO, PROTECTOR IN BOTH VERSIONS SHOULD LAST FOR SIX MONTHS ONLY. LASTLY, WE CANNOT ACCEPT PHIL PROPOSAL LIMIT POSSIBLE FREQUENCY INCREASES UNDER PRESCREENING SINCE THIS COMPLETELY NEGATES PURPOSE OF PRESCREENING. SINCE WE ARE BUYING DEAL IN WHICH PHILS COULD HOLD PAN AM AND NWA TO FIVE COMBINATION FREQUENCIES EACH FOR FOUR YEARS, WE SEE NO REASON TO ACCEPT A FURTHER BUILD-IN RESTRICTION.

D. SATISFACTION OF BARE BONE ROUTES FOR US IS ESSENTIAL. WE ARE NOT INCLINED ACCEPT DEFERRALS OR BLIND SECTORS, PARTICULARLY ON KEY ADDITIONS TO PRESENT US AIRLINE ROUTES.

E. WE ASSUME ONLY REPEAT ONLY NEW ROUTE RIGHT FOR PHILS IN DEAL IS GUAM AND THAT, UNDER DEAL, ANY PAL TURNAROUND MANILA-GUAM FLIGHTS MUST FALL WITHIN AGREED STABILIZATION FREQUENCY LEVEL FOR PAL (I.E., PAL CANNOT OPERATE UP TO SEVEN DC-10'S TO HONOLULU AND SAN FRANCISCO PLUS ADDITIONAL MANILA-GUAM TURNAROUNDS).

2. WE WOULD PREFER HAVE FULL AGREEMENT WITH BERMUDA CLAUSES INCLUDED BUT US SHOULD NOT PAY ANYTHING TO OBTAIN THIS. IF SUCH AGREEMENT NOT POSSIBLE (AND OBVIOUSLY WE DO NOT WANT A STANDARD-TEXT AGREEMENT WITHOUT BERMUDA CLAUSES), SOME METHOD WILL HAVE TO BE DEvised TO INCORPORATE BASIC RIGHTS (E.G., ROUTES) IN AN EXCHANGE NOTE, UNDERSTANDING OR OTHER AGREEMENT FORM. IMPLEMENTATION (I.E., CAPACITY) COULD BE IN A SEPARATE PAPER, WITH APPROPRIATE REFERENCE IN UNDERSTANDING TO FACT THAT ARRANGEMENTS TO IMPLEMENT UNDERSTANDING WILL BE AGREED UPON LIMITED OFFICIAL USE

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SEPARATELY. WE HAVE NOT HAD TIME DEVELOP THESE IDEAS FURTHER; ASSUME USDEL WILL SUBMIT SPECIFIC PROPOSALS FOR REVIEW HERE.

3. NO OBJECTION LANGUAGE TO USE BEST EFFORTS TO PROVIDE NON-DISCRIMINATORY TREATMENT ON FUEL ALLOCATION. FYI. THIS SHOULD NOT BE INFERRED TO BAR DISTINCTION BETWEEN U.S. DOMESTIC AND INTERNATIONAL AIRLINES. END FYI. SISCO

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, NEGOTIATIONS, MEETING DELEGATIONS, AIR ROUTES  
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**Copy:** SINGLE  
**Draft Date:** 14 JUN 1974  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**TAGS:** ETRN, RP  
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